

MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Friday, February 24, 2017

TIME: 8:00 A.M.

PLACE: Room WW55

MEMBERS PRESENT: Chairman Siddoway, Vice Chairman Hagedorn, Senators Davis, Hill, Winder, Lodge, Lakey, Stennett, and Buckner-Webb

**ABSENT/
EXCUSED:** None

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairman Siddoway** called the meeting of the Senate State Affairs Committee (Committee) to order at 8:02 a.m.

Chairman Siddoway reminded the Committee, in regard to Unanimous Consent Requests, a motion is always in order, and explained to the audience that public testimony would be limited to three minutes for each person due to time constraints.

RS 25350 **A Unanimous Consent Request from the Senate Commerce and Human Resources Committee relating to Reserves and Surplus of self-funded insurance plans.** (Senator Thayn)

RS 25299 **A Unanimous Consent Request from the Senate Commerce and Human Resources Committee for a Concurrent Resolution rejecting a certain rule of the Division of Building Safety.** (Senator Patrick)

RS 25352 **A Unanimous Consent Request from the Resources and Environment Committee Relating to Fish and Game to add a provision to the kill permit allowing the homeowner to retain one animal for personal use.** (Chairman Siddoway)

RS 25320 **A Senate Concurrent Resolution to Encourage Hospitals to help develop residency programs for new Idaho Physicians.** (Senator Winder)

RS 25311C1 **Relating to Public Records to provide that certain records of the State Public Defense Commission be exempt from disclosure.** (Senator Winder)

MOTION: In the interest of time, **Senator Lakey** moved to send **RS 25350, RS 25299, RS 25352, RS 25320** and **RS 25311C1** to print. **Senator Lodge** seconded the motion. The motion carried by **voice vote**.

SCR 108 **A Senate Concurrent Resolution to make a formal application to Congress for a balanced budget once a total of 34 states have made the same petition.**

Senator Hagedorn, District 14, brought **SCR 108** before the Committee. He explained Article V of the U.S. Constitution provides that when 34 states petition Congress to convene a convention to draft and propose the same amendment, Congress is required to do so. Currently, 28 states have passed resolutions on the same issue as **SCR 108**. The states of Wyoming and Arizona are expected to soon follow suit.

Senator Hagedorn reviewed the history of the budget deficit. In 2016 Congress borrowed or printed \$587 billion to make ends meet. The current total debt is \$19.9 trillion; that is equal to \$61,500 per person. He referred to the 2009-10 financial crisis in Greece as being analogous with the financial issues of the United States and said the Committee for a Responsible Budget predicts the federal deficit will average approximately \$800 billion per year for the next eight years.

Senator Hagedorn quoted former Chairman of the Federal Reserve, Ben Bernanke, Admiral Mike Mullin, and the co-chairman of President Obama's Commission on Fiscal Responsibility, Erskine Bowles, all of whom expressed the importance of stabilizing the federal budget. He said the three elements of deliberation for the Committee are: 1.) controlling the national debt; 2.) amending the U.S. Constitution to achieve that goal; and 3.) using a convention resolution method.

Senator Hagedorn introduced Larry Craig, Greg Casey, and David Guldenschuh as experts and supporters of **SCR 108**.

Larry Craig, former U.S. Senator, described his history as a State Senator, U.S. Congressman and Senator, and testified in support of **SCR 108**. He described his work to rein in the national debt and said the U.S. Congress cannot bind themselves to a future Congress, because each new Congress can change the rules and the laws. He said Congress lacks the will to effectively control spending and portrayed the greatest toll on the budget as the entitlement programs.

Senator Stennett asked Mr. Craig to describe his specific vision for balancing the budget. **Mr. Craig** said achieving a balanced budget could be implemented gradually without having significant negative consequences. He recommended stopping debt growth first and working through the ebbs and flows in the economy.

Greg Casey, former President of Idaho Association of Commerce and Industry, former Chief of Staff for Senator Larry Craig, 34th Sergeant of Arms of the U.S. Senate, and a fourth generation Idahoan living in Star, Idaho, testified in support of **SCR 108** and further addressed Senator Stennett's question by stating that a balanced budget does not happen all at one time; it is a matter of controlling debt moving forward and gradually bringing it down. He said there are processes in place on how to manage the budget.

Mr. Casey focused on the historical basis for using the constitutional method for restraining federal debt and addressed misunderstandings on that history. He expressed appreciation for the concerns of those opposing an Article V Convention as a method for solving the budget deficit, arguing that Article V is an integral part of the Constitution and provides a tool for the U.S. Congress to take action on something 80 percent of the American people and 84 percent of Idahoans want. He said the certainty of fiscal crisis is real and it is incumbent upon the states to use the Article V tool.

Senator Winder asked for clarification on the 84 percent of Idahoans who wanted a balanced budget amendment or did they just want a balanced budget. **Mr. Casey** replied what they want is a balanced budget, referring Senator Winder to the information contained in Committee members' packets for clarification (see attachment 1).

Senator Buckner-Webb asked how state conventions ratify amendments, as opposed to legislatures, and how conventions are selected. **Mr. Casey** replied that ratification requires a 34 state approval on the same issue and yielded the floor to Mr. David Guldenschuh for more specific information.

David Guldenschuh, Attorney, special counsel to the Balanced Budget Amendment Task Force and member of the Board of Constitutional Policy Advisors for the Hartman Institution, addressed Senator Buckner-Webb's question. He said the short answer is that the state legislatures have total control over the process: the how when and why that convention meets; how its delegates are chosen; what its task is, and so forth. He described examples of the process.

Mr. Guldenschuh said there are numerous safeguards in place to ensure a zero percent chance that any Article V Convention could propose a rogue amendment and outlined the mechanisms provided by the founders to ensure that a rogue amendment could be stopped by Congress.

Senator Stennett expressed concerns about the lack of precedent for an Article V Convention. **Mr. Guldenschuh** related previous instances of Article V Conventions and how they were processed. He said it is a myth that we do not understand the parameters of Article V.

Senator Lakey asked for further details on how Congress could stop a runaway convention. **Mr. Guldenschuh** said Congress could simply ignore it. **Senator Winder** wondered why, if Congress has the right to reject a rogue, they would not have the same right to reject a balanced budget. **Mr. Guldenschuh** said looking at decisions on when Congress will and won't intervene, is getting into very fine Constitutional arguments.

TESTIMONY: The following individuals testified in opposition to **SCR 108**:

Julie Custer, Co-President of AAUW, Idaho; McKay Cunningham, Law Professor, Boise; Betsy McBride, private citizen; Charles Tate, private citizen; Cheryl Cook, Hidden Springs, Idaho; Duncan Farris, Kuna; Dave Christensen, native Idahoan; Todd Hatfield, Eagle; James Vandermaas, Eagle; Michael Law, Kuna; Brett Karcher, Boise; Regina Bayer, Meridian; Karleen Davis, Boise; Kathy Griesmeyer, Policy Director, ACLU; Adrienne Evans, Executive Director for United Action for Idaho; Mary Ruckh, Idaho; Tracy Olson, Boise; Bob Tracy, Boise; Suzanne Stone, Boise; Susan Lamberson, AAUW member; Judith Lombardi, Idaho; Jamie Richmond, Garden City; David Wilkins; Hawk Stone, private citizen; Maria Le, Idaho; Gerald Harbel, Caldwell; Walter Donovan, Boise.

The primary reasons expressed for opposing **SCR 108** were: 1.) cuts to programs providing financial security of women, students, and working families including educational grants; 2.) unknown and untested parameters; 3.) possibility of creating a rogue or runaway convention; 4.) danger of opening up the U.S. Constitution to wholesale changes; 5.) legal chaos; and 6.) jeopardizing fundamental rights and freedoms, including privacy rights and free speech violations.

Senator Hagedorn closed the presentation by stating that everyone wants to protect the U.S. Constitution and expressed appreciation for the comments in opposition. He said nothing in the legislation limits borrowing money; it is simply asking Congress to live within our means. He said the legislation is not a constitutional convention but rather is asking for an Article V Convention to review a petition for a balanced budget. He said the primary safeguard is ratification by 38 states and he feels Idaho should be on record saying we must live within our means. He concluded by urging a yes vote.

MOTION: **Senator Hagedorn** moved to send **SCR 108** to the floor with a **do pass** recommendation. **Senator Lakey** seconded the motion.

Senator Stennett referred to the vast number of emails received in opposition to the bill and said she would not vote for the bill. **Senator Davis** asked for clarification on the wording, "continuing application." **Senator Hagedorn** explained "continuing application" means this application would be continuous on the books until it is rescinded by the Legislature.

Chairman Siddoway called for a roll call vote. **Vice Chairman Hagedorn, and Senators Hill, Lodge, Lakey, and Chairman Siddoway** voted aye. **Senators Davis, Winder, Stennett and Buckner-Webb** voted nay. The motion carried 5 to 4.

ADJOURNED: There being no further business, **Chairman Siddoway** adjourned the meeting at 10:30 a.m.

Senator Siddoway
Chair

Twyla Melton, Secretary

Jeanne Clayton, Assistant
Secretary